

## **FINANCE COMMITTEE**

**Tuesday, 7 December 2021**

Minutes of the meeting of the Finance Committee held at Guildhall, EC2 on Tuesday, 7 December 2021 at 1.45 pm

### **Present**

#### **Members:**

Deputy Jamie Ingham Clark (Chairman)	Alderman Robert Hughes-Penney
Jeremy Mayhew (Deputy Chairman)	Paul Martinelli
Deputy Randall Anderson	Andrew McMurtrie
Alderman Professor Emma Edhem	Deputy Susan Pearson
Alderman Sir Peter Estlin	James de Sausmarez
Alderman Prem Goyal	Ian Seaton
Michael Hudson	Catherine McGuinness (Ex-Officio Member)

#### **Officers:**

John Cater	-
Caroline Al-Beyerty	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Emma Moore	- Chief Operating Officer
Paul Wilkinson	- City Surveyor
Simon Latham	- Town Clerk's Department
Dionne Corradine	-
Hayley Hajduczek	- Town Clerk's Department
Sonia Virdee	- Chamberlain's Department
Neilesh Kakad	- Chamberlain's Department
Julia Pridham	-
Adrian Kelly	- Community and Children's Services
Sanjay Odedra	- Communications Team
Trina Pham	- Chamberlain's Department
Emily Rimington	- Comptroller and City Solicitor's Department
William Roberts	- Chamberlain's Department

### **1. APOLOGIES**

Apologies for absence were received from Munsur Ali, Rehana Ameer, Nicholas Bensted-Smith, Deputy Roger Chadwick, Henry Colthurst, Deputy Wendy Hyde, Deputy Clare James, Alderman Alastair King, Tim Levene, Oliver Lodge, Deputy Robert Merrett, Hugh Morris, Deputy John Scott, Sir Michael Snyder, Deputy James Thomson, Mark Wheatley, Deputy Philip Woodhouse, and Christopher Hayward.

The Chairman took the opportunity to inform Members, officers and those members of the public watching on Youtube, that item 35 (in the confidential section of the meeting) was, incorporated into item 34, and so was removed as a standalone item from the agenda.

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

The Chairman declared a non-pecuniary interest in respect of item 24 due to being a member of The Clothworkers Company.

3. **MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – that the public minutes of the meeting held on 9<sup>th</sup> November 2021 be approved as an accurate record.

4. **FINANCE COMMITTEE'S FORWARD PLAN**

The Committee received a Report of the Chamberlain outlining the Committee's workplan for the next several months.

**RESOLVED** – that the Committee noted the Report.

5. **REPORT OF THE WORK OF THE SUB-COMMITTEES**

The Committee received a Report of the Town Clerk which advised Members of the key discussions which had taken place during recent meetings of the Committee's Sub-Committees.

**RESOLVED** – that the Committee noted the Report.

6. **DRAFT PUBLIC MINUTES OF SUB-COMMITTEES**

The Committee noted the public minutes of the following Sub-Committee meetings:

- Efficiency and Performance Sub-Committee held on 25<sup>th</sup> October 2021
- Procurement Sub-Committee held on 20<sup>th</sup> October 2021

a) **Draft public minutes of the Efficiency and Performance Sub-Committee held on 25th October 2021**

**RESOLVED** – That the public minutes of the Efficiency & Performance Sub-Committee meeting held on 25<sup>th</sup> October 2021 be noted.

b) **Draft public minutes of the Procurement Sub-Committee held on 20th October**

**RESOLVED** – That the public minutes of the Procurement Sub-Committee meeting held on 20<sup>th</sup> October 2021 be noted.

7. **RISK MANAGEMENT - TOP RISKS**

The Committee received a Joint Report of the Chamberlain and the Chief Operating Officer which provided updates regarding the top risks within the Departmental Risk Register.

**RESOLVED** – that the Committee noted the Report.

8. **2020-21 CITY'S CASH FINANCIAL STATEMENTS**

The Committee considered the 2020-21 City's Cash Financial Statements.

**RESOLVED** – that the Committee:

- Considered the contents of the Audit Management Report issued by BDO LLP;
- Considered the resolution from the Audit and Risk Management Committee and approved the 2020/21 City's Cash Financial Statements, and the financial statements of each of the 10 consolidated charities, for the year ended 31 March 2021;
- Delegated to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Finance Committee, approval of any material changes to the statement of accounts required before the signing of the audit opinion by BDO – which is expected by mid-December for City's Cash consolidated financial statements, and for the consolidated charities.
- Approved delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the City's Cash Financial Statements, and those of each of the 10 consolidated charities, on behalf of the Court of Common Council.

9. **2020-21 CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS**

The Committee considered the 2020-21 City Fund and Pension Fund Statement of Accounts.

In response to a concern about where the City of London Police Pension liability sat, the Chamberlain would add clearer narrative in the final accounts to indicate the Home Office's responsibility in this area.

The Chamberlain added that, whilst the external auditors were content to sign off on the accounts, there remained a few non-material narrative issues still to be resolved; these were likely to be completed in the coming days.

**RESOLVED** – that the Committee:

Considered the content of BDO's audit management report;

Considered the resolution from the Audit and Risk Management Committee and approved the 2020-21 City Fund and Pension Fund Statement of Accounts; and

Delegated to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Finance Committee, approval of any material changes to the statement of accounts required before the signing of the audit opinion by BDO – which is expected by the mid-December

Approved delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the 2020-21 City Fund and Pension Fund Statement of Accounts on behalf of the Court of Common Council.

**10. SUNDRY TRUSTS (FOR WHICH THE CORPORATION IS TRUSTEE): ANNUAL REPORT AND FINANCIAL STATEMENTS 2020/21**

The Committee considered the Annual Reports and Financial Statements for the Sundry Trust Funds for the year ended 31 March 2021.

**RESOLVED** – that the Committee:

- Noted that the external auditor BDO LLP intends to give an unqualified audit opinion on each set of charity financial statements;
- Considered the contents of the audit management report issued by BDO LLP; and
- Considered the resolution from the Audit and Risk Management Committee and approved the financial statements of the charities listed at annex 1 for the year ended 31 March 2021;
- Delegated to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Finance Committee, approval of any material changes to the statement of accounts required before the signing of the audit opinion by BDO – which is expected by mid-December;
- Approved delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the financial statements of the charities listed at Annex 1 on behalf of the Court of Common Council.

**11. CAPITAL FUNDING- PRIORITISATION OF 2022/23 ANNUAL CAPITAL BIDS**

The Committee considered a Report of the Chamberlain concerning Capital Funding in 2022/23.

**RESOLVED** – that the Committee:

- Noted the total value of City Fund and City's Cash bids amounting to £61.9m against a target upper limit of £30m (excl BHE).
- Reviewed the initial RAG rating of £24.3m green, £29.3m amber and £8.4m red contained in the appendices (determined in consultation with senior officers).
- Agreed that, subject to Member feedback, funding for the green bids be incorporated into the medium-term financial plans, providing they remain within the £30m overall limits for City Fund and City's Cash and remain at a similar modest level for Bridge House.
- Agreed in principle that bids with a final RAG rating of amber and red be deferred, subject to further consideration of reduced funding options for the three schemes highlighted in the RASC draft minute.

- Agreed that amber-rated bids be placed on a reserve list to be progressed in the event that funding headroom is identified.
- Noted that the final decision on the green-rated bids for inclusion in the 2022/23 draft budgets will be confirmed at the joint meeting of RASC and the service committee and Bridge House Estates Board chairmen in January 2022.

**12. AN EXTENSION TO THE CONTRACT FOR THE PROVISION OF E-SERVICES RELATING TO THE PAN LONDON SEXUAL HEALTH TRANSFORMATION PROGRAMME**

The Committee considered a Joint Report of the Director of Community & Children's and the Director of Commercial Services concerning the Pan-London Sexual Health Transformation Programme.

The Chairman informed Members that work was ongoing to alter the governance arrangements for these types of requests to ensure that they did not come to Finance Committee (i.e. those requests which, whilst the City led on behalf of others, ultimately had negligible net liabilities to the Corporation itself).

**RESOLVED** – that the Committee:

- Approved a variation to the contract in respect of the duration of the initial extension period, from one year to three years with a subsequent option of a further extension of one year
- Approved an extension of the contract for the provision of E-Services relating to the Pan London Sexual Health Transformation Programme.

**13. CENTRAL CONTINGENCIES**

The Committee received a Report of the Chamberlain which provided Members with information regarding the current balance of the Finance Committee Contingency Funds for the current year.

**RESOLVED** – that the Committee noted the Report.

**14. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

**15. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

**16. EXCLUSION OF THE PUBLIC**

**RESOLVED** - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

**17. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

**RESOLVED** – that the non-public minutes of the meeting held on 9<sup>th</sup> November 2021 be approved as an accurate record.

**18. REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**

The Committee noted a report of the Town Clerk which advised Members of the key discussions which had taken place during non-public session at recent meetings of the Committee's Sub-Committees.

**RESOLVED** – that the Committee noted the Report.

**19. DRAFT NON-PUBLIC MINUTES OF SUB-COMMITTEES**

The Committee noted the non-public minutes of the following Sub-Committee meetings:

- Efficiency and Performance Sub-Committee held on 25<sup>th</sup> October 2021
- Procurement Sub-Committee held on 20<sup>th</sup> October 2021

**a) Draft non-public minutes of the Efficiency and Performance Sub-Committee held on 25th October 2021**

The non-public minutes of the Efficiency & Performance Sub-Committee meeting held on 25<sup>th</sup> October 2021 were noted.

**b) Draft non-public minutes of the Procurement Sub-Committee held on 20th October 2021**

The non-public minutes of the Procurement Sub-Committee meeting held on 20<sup>th</sup> October 2021 were noted.

**20. CHARITY REVIEW - CITY OF LONDON CHARITIES POOL**

The Committee considered a Report of the Managing Director of Bridge House Estate & Chief Charities Officer concerning the City of London's Charities Pool.

**21. STAGE 1 & 2 REPORT (COMBINED) FOR PROVISION OF WATER, WASTEWATER AND ANCILLARY SERVICES**

The Committee considered a Report of the Chief Operating Officer concerning the provision of water, wastewater, and ancillary services.

**22. COMMERCIAL RENT - DEBT WRITE OFF**

The Committee considered a Report of the Comptroller and City Solicitor concerning commercial rent debt write-offs.

**23. CITY'S ESTATE 38 AND 40-42 CHARTERHOUSE STREET, EC1M - DISPOSAL OF 130 YEAR LEASE.**

The Committee considered a Report of the City Surveyor concerning 38 and 40-42 Charterhouse Street.

**24. HIGHWAY LAND DISPOSAL: 50 FENCHURCH STREET, EC3M 3JY**

The Committee considered a Report of the City Surveyor concerning 50 Fenchurch Street.

25. **NON-PUBLIC APPENDIX FOR CENTRAL CONTINGENCIES**  
The Committee noted the non-public appendix to ITEM 13 (Central Contingencies).
26. **NON-PUBLIC DECISIONS TAKEN UNDER DELEGATED AUTHORITY AND URGENCY PROCEDURES**  
The Committee noted a Report of the Town Clerk detailing a non-public decision taken under delegated authority since the last meeting.
27. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were no non-public questions relating to the work of the Committee.
28. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
The Committee considered two items of urgent business relating to the Business Rate Premium and Temple Chambers, 3-7 Temple Avenue EC4.
29. **CONFIDENTIAL MINUTES**  
**RESOLVED** – that the confidential minutes of the meeting held on 9<sup>th</sup> November 2021 be approved as an accurate record.
30. **CORPORATE LAN CONTRACT EXTENSION**  
The Committee considered a Report of the Chief Operating Officer concerning an extension to the Corporate Local Area Network (LAN) contract.
31. **PROPOSALS FOR THE ORGANISATION DESIGN OF THE IT FUNCTION UNDER THE CHIEF OPERATING OFFICER**  
The Committee considered a Report of the Chief Operating Officer concerning the proposals for the organisational design of the IT Function.
32. **PROPOSALS FOR THE ORGANISATIONAL DESIGN OF THE EQUALITY, DIVERSITY AND INCLUSION FUNCTION OF THE CHIEF OPERATING OFFICER**  
The Committee considered a Report of the Chief Operating Officer concerning the proposals for the organisation design of the Equality, Diversity and Inclusion Function.
33. **PROPOSALS FOR THE ORGANISATIONAL DESIGN OF THE COMMERCIAL SERVICES FUNCTION OF THE CHIEF OPERATING OFFICER**  
The Committee considered a Report of the Chief Operating Officer concerning proposals for the organisational design of the Commercial Services Function.
34. **TOM PROPOSALS - CHAMBERLAIN'S DEPARTMENT TIER 3**  
The Committee considered a Report of the Chamberlain concerning the Chamberlain's Department's Tier 3 TOM proposals.

**35. TOM PROPOSALS ON A SINGLE POST IN CHAMBERLAINS DEPARTMENT**

As per the Chairman's comment earlier in the meeting (under apologies), the content and recommendation in item 35 was, incorporated into item 34, and so was removed as a standalone item from the agenda.

**The meeting ended at 3.20 pm**

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Chairman

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